



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking Into  
Implementation of Federal Communications  
Commission Report and Order 04-87, as It  
Affects the Universal Lifeline Telephone  
Service Program

Rulemaking 04-12-001  
(Filed December 2, 2004)

**COMMENTS OF THE GREENLINING INSTITUTE ON PROPOSED DECISION OF  
ALJ JONES ADOPTING STRATEGIES TO IMPROVE THE CALIFORNIA LIFELINE  
CERTIFICATION AND VERIFICATION PROCESSES, AND REINSTATING  
PORTIONS OF GENERAL ORDER (GO 153)**

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April 23, 2007

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**I. INTRODUCTION: FROM OBSOLETE LANDLINES TO CELL PHONES**

The Greenlining Institute (“Greenlining”) respectfully submits the following comments to the California Public Utilities Commission (“Commission” or “CPUC”) addressing the proposed decision of Administrative Law Judge Jones (“ALJ Jones”) in R.04-12-001 adopting strategies to improve California LifeLine certification and verification processes and reinstating portions of General Order (“GO”) 153.

Improvements to the LifeLine Program are of critical importance to Greenlining, as Greenlining represents the interests of 20 million minorities throughout California, many of whom have experienced the negative impacts of the changes to the certification and verification processes for the LifeLine program, including removal from the program, being required to pay regular telephone rates and being assessed additional fees.

While Greenlining supports ALJ Jones’s attempt to improve strategies for and increase participation in the LifeLine process by low-income Californians, Greenlining is concerned that

the Commission is taking a narrow view of the communication needs of low-income Californians.

Today, as ALJ Jones's proposed decision notes, as many as 6.7 million or even 10 million Californians may qualify for LifeLine service, but as a result of bureaucratic obstacles, which the Commission has been forced to implement, only 3.5 million are presently receiving LifeLine telephone service. With such constraints, Greenlining does not believe that the Commission staff, while dedicated and acting in good faith, can truly develop an effective creative outreach program and solution to the critical issues of the California LifeLine Program without significant changes to the program.

#### ***\$5.5 Billion Dollar Subsidy for Cell Phones Could be Attainable***

More significantly, Greenlining is concerned that the Commission is examining LifeLine from a narrow 20<sup>th</sup> century, rather than an expansive 21<sup>st</sup> century perspective. That is, the vast majority of low-income consumers, like the middle class and the wealthy, prefer cell phones and find cell phones far more useful than landlines, particularly when many low-income families are forced to frequently move. The current rate of expenditure of \$555 million a year in federal and state subsidies for the LifeLine Program means that over the next decade approximately \$5.5 billion will be spent to provide obsolete communication services to low-income Californians.

Greenlining believes, as do a growing number of community leaders, that landlines are outdated and the Commission should move away from lifeline and focus its LifeLine Program on cell phones. The creation of a low-cost cell phone service is a realistic option for the Commission and with the support of industry and the community it can be realized. Greenlining believes to continue subsidization of the landline LifeLine Program will only perpetuate the

creation of a second class service and further widen the digital divide for low-income Californians.

Greenlining has already conducted research regarding the implementation of a low-cost cell phone program available in other states through telecommunication carriers and has also contacted California telecommunication carriers for their support in creating such a program.<sup>1</sup> Given 6.7 million or even 10 million Californians that may qualify for LifeLine service, Greenlining believes the Commission will be able to reduce the present costs of LifeLine by as much as 50% by transitioning from landlines to cell phones.

Greenlining recommends that the Commission consider the changing needs of low-income California and transition the current LifeLine Program, with support from the FCC, from one based on landlines to one based on cell phones. With this action, this Commission and California will remain a leader in serving the needs of all consumers, whether low-income or not, and move all consumers into the 21<sup>st</sup> century.

## **II. DISCUSSION: SHORT TERM STRATEGIES**

### ***Mailing and Response Delays***

Greenlining supports the staff recommendation that “GO (153) should be amended to allow for greater time to return and process the LifeLine forms, provide additional reminders to

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<sup>1</sup> See <http://www.cingular.com/about/community-support/lifeline-link-up.jsp>: Cingular LifeLine and Link Up service program available in Louisiana, Mississippi, Washington and Puerto Rico which provides discounted service for eligible customers. Lifeline offers discounts on the monthly wireless bills of qualified applicants. Link Up pays 50 percent of a customer's one-time activation fee. (Cingular waives the other 50 percent for eligible consumers, so activation is free.). See also <http://www.alltel.com/personal/wireless/plans/lifeline.html>: Alltel LifeLine Program which offers a discounted monthly telecommunications service under Lifeline and Link-Up programs. Alltel currently offers such plans in Alabama, Arkansas, California, Colorado, Florida, Georgia, Iowa, Kansas, Louisiana, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, South Dakota, Pine Ridge Indian Reservation, Texas, Virginia, West Virginia, Wisconsin and Wyoming.

customers from the certifying agent and carriers and either return to a self-certification process for consumers or expand the forms of documentation permissible under the LifeLine program.”

Specifically, Greenlining recommends that the timeframe for new customers to return the certification forms be increased from 30 to 60 days. Greenlining recommends that the Commission add a 15-day grace period for the late receipt of verification forms. Greenlining also recommends that the Commission expand the timeframe for form corrections from 15 days to 30 days. Further, Greenlining recommends that the Commission conduct an annual analysis of Solix and the LifeLine Program to ensure that these short term strategies for GO 153 are meeting the needs of low-income consumers in California.

### ***Remind and Notify Customers***

Greenlining recommends that the Commission modify GO 153 to include additional reminders and notifications from Solix, as well as a coordinated effort between Solix and the carriers to ensure that consumers receive accurate information regarding reminders and notifications.

### ***Clarify Allowable Income Documentation***

Greenlining recommends that the Commission modify GO 153 to allow self-certification of consumers rather than creating burdens and impediments to the LifeLine program. As many community based organizations and carriers have noted, the requirement that consumers provide Solix with documentation of income eligibility has been a significant factor in the decrease of consumers participating in the LifeLine program. Greenlining believes that by allowing consumers to self-certify for the LifeLine Program many of the additional issues raised in the proposed decision will also be alleviated. Greenlining urges the Commission staff,

carriers, Solix and community-based organizations to work collaboratively to ensure that the short term strategies and long-term strategies for improvement the LifeLine Program are met.

Greenlining believes it is essential to adopt the above recommendations and amend GO 153. By doing so, the Commission will be able to remedy many of the issues identified by Commission staff, including: 1) late receipt or non-receipt of LifeLine forms and documents sent by Solix to customers; 2) apparent database interface issues between the carriers and Solix; 3) discrepancies between information provided to customers by Solix and the carriers; and 4) lack of recognition of Solix as the certifying entity for the LifeLine program, not the carriers.

***Re-evaluation of the requirements for eligibility for the LifeLine program***

In addition to the modifications recommended by the proposed decision and the Commission staff, Greenlining recommends that the Commission expand the eligibility requirements of the LifeLine Program to allow for greater access by poor Californians to communication technology. By modifying the eligibility requirements of the LifeLine program the Commission will meet the needs of a substantially greater number of Californians that have traditionally been excluded from the program, yet struggle to make ends meet in a state with an incredibly high cost of living.

The population of poor in this country is far greater than reported. As an April 17, 2007 New York Times editorial noted, nearly 37 million Americans, 12.6% of the population, are living in poverty.<sup>2</sup> These numbers represent that in a time of economic expansion, the percentage of Americans defined as poor is higher than at the bottom of the recession in 2001.<sup>3</sup> While this data reflects a national assessment of poverty, Greenlining and this Commission know

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<sup>2</sup> See April 17, 2007 New York Times, “Counting the Poor”

<sup>3</sup> See Id. In 2001, the number of American defined as poor was 11.7%.

that many Californians struggle on a daily basis to meet their basic need. Given this understanding, Greenlining recommends that the Commission expand the eligibility of the LifeLine program to include additional factors, such as geographic differences in the cost of living and that poverty is relative. The Commission should not rely exclusively on pretax income and cash benefits from the government as the eligibility benchmark for participation in the LifeLine Program.

Greenlining believes, and is supported by this editorial and other similar data, that “a poverty gauge cannot simply measure a family’s ability (or lack thereof) to subsist. It must also capture the extent to which the poor cannot afford the requisites of modern life.”<sup>4</sup> The ability to communicate with others as a requisite part of all people’s lives and many times the means to communicate with others is simply not affordable for the poor. By using only a traditional poverty index for the LifeLine Program, a large portion of the poor in California are being excluded from the program. Therefore, Greenlining strongly urges the Commission to re-evaluate the eligibility requirements for the LifeLine Program to make certain that all Californians communications needs are being fairly and adequately served.

## **CONTRACT AMENDMENT INITIATIVES**

As discussed above, Greenlining recommends that the Commission focus on changes to the LifeLine Program and likewise the contract with Solix that clearly serve the current and future California LifeLine subscribers, including modification of the LifeLine Program from landline to cell phone. Additionally, Greenlining believes that any contractual modifications should allow for greater collaboration between Solix and the carriers to ensure that consumers are receiving accurate information about the LifeLine Program. Further, Greenlining supports

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<sup>4</sup> See Id.

the specific recommendations to the Commission regarding the modification of the Solix contract including: 1) creation an outbound dialer; 2) revision the LifeLine Program form letters; 3) increasing the certification process timeline; 4) updating the Solix Interactive Voice Recognition system; and 5) creating a program to improve reconciliation of consumer data between carriers and Solix.

### **SHORT TERM OUTREACH EFFORTS**

Greenlining recommends that the Commission engage in further creative outreach efforts that coordinate efforts by Commission staff, community-based organizations and carriers. Greenlining believes it is essential that community-based organizations are actively engaged and compensated for their vital role in working within communities comprised of LifeLine eligible consumers. All outreach efforts should build upon the February 6, 2007 press release and training invitation sent during Consumer Protection Week. Outreach efforts should also build upon the work of the Marketing Working Group. In particular, Greenlining recommends that the Commission engage in outreach to rural organizations to participate in the Marketing Working Group. Any materials that the Marketing Working Group provides to the public should be made available to consumers in languages other than English and clearly and simply explain the LifeLine program.

Greenlining also recommends that the Commission direct the Low-Income Oversight Board (“LIOB”) to solicit proposals from carriers and community-based organizations to increase both public and private participation in reforming the LifeLine programs. The LIOB is in a unique position to provide the Commission and its staff with recommendations from organizations that may not be part of the LifeLine rulemaking proceeding, but who can offer valuable input regarding the LifeLine program.



## **SHORT-TERM SOLIX-CARRIER INTERFACE IMPROVEMENTS**

Greenlining is aware of many issues that exist regarding the interface of Solix and the carriers. Given this, Greenlining recommends that the Commission continue to serve as a mediator between Solix and the carriers. Greenlining also recommends that Solix provide monthly reports to the Commission as to its efforts to address the problems identified by Commission staff and carriers. Greenlining recommends that after an additional six-month review period of Solix, if Commission staff continues to identify problems between the interface of Solix and the carriers, the Commission considers termination of the Solix contract.<sup>5</sup>

The LifeLine Program is an essential part of the Commission programs for consumers, as well as many Californians' lives, and if Solix is unable to meet the needs of low-income consumers the Commission should consider further modification of the contract or termination of the Solix contract.

### **III. DISCUSSION: LONG TERM STRATEGIES**

While Greenlining recognizes that the Commission does not wish to micromanage the LifeLine program, we recommend that the Commission continue to be actively involved in the LifeLine program, including direct oversight of Solix and re-evaluation of the Solix contract, during 2007. Without this oversight many of the issues identified in the proposed decision and the issues that led to the suspension of the LifeLine Program in verification process on November 1, 2006 will not be adequately addressed. Furthermore, it is essential that the Commission consider long-term strategies for the LifeLine Program. Greenlining supports the

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<sup>5</sup> See pp. 20-21: As ALJ Jones's proposed decision notes, there has been such a marked increase in complaints to the Commission's internal working group, CAB, that CAB has established regular meetings with AT&T and Verizon to address customer-related issues. The fact that CAB has received 12,400 LifeLine appeals, with over 4,000 of those appeals still open, is a clear indication of Solix's failure to serve California's low-income communities.

Commission staff recommendations for such long-term strategies as: 1) increased mailings to consumers; 2) increased outreach; 3) collection of data of non-response eligible consumers; 4) modifications eligibility approvals; 5) continued evaluation of additional modifications to GO 153; 6) more effective data interface between Solix and carriers; 7) collaboration with other low-income programs; and 8) implementation of LifeLine specific complaint monitoring and resolution processes.

As discussed above, Greenlining also recommends that the *most important* long term strategy for the LifeLine program is a transition from landline to cell phone.

#### **IV. CONCLUSION**

Greenlining respectfully submits its opening comments to the Commission on the proposed decision in R.04-12-001, regarding the strategies to improve California Lifeline Certification and Verification processes and reinstating portions of GO 153.

April 23, 2007

Respectfully submitted,

/s/ Robert Gnaizda

Robert Gnaizda

The Greenlining Institute

/s/ Thalia N.C. Gonzalez

Thalia N.C. Gonzalez

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CERTIFICATE OF SERVICE

I, Thalia N.C. Gonzalez, am 18 years of age or older and a non-party to the within proceeding. I am a resident and citizen of the State of California with the business address at the Greenlining Institute of 1918 University Avenue, Second Floor, Berkeley, CA 94704 and telephone number of 510-926-4002.

On April 23, 2007 I caused the following document:

COMMENTS OF THE GREENLINING INSTITUTE ON PROPOSED DECISION  
ADOPTING STRATEGIES TO IMPROVE THE CALIFORNIA LIFELINE CERTIFICATION  
AND VERIFICATION PROCESSES, AND REINSTATING PORTIONS OF GENERAL  
ORDER (GO 153)

to be served upon all interested parties of record in R.04-12-001\_named in the official service list via e-mail to those whose e-mail address is listed in the official service list and via first class mail with postage prepaid or facsimile to those whose e-mail address is not available.

I certify that the foregoing is true and correct.

Executed in Berkeley, California on April 23, 2007.

/s/ Thalia N.C. Gonzalez

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Thalia N.C. Gonzalez

SERVICE LIST FOR R.04-12-001 (UPDATED MARCH 20, 2007)

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